

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 454 - SB 1039**

February 12, 2013

**SUMMARY OF BILL:** Expands the definition of underutilized or vacant property, relating to available land for use by a public charter school, to include real property on which no building or permanent structure has been built. Requires local education agencies (LEAs) to include vacant land on the annual underutilized or vacant property list submitted to the Department of Education and the Comptroller of the Treasury. Specifies that the fees charged to a public charter school for the use of such vacant LEA-owned property, either improved or unimproved, in a lease, lease-purchase agreement, or other contract or agreement, shall not exceed the costs of ongoing maintenance incurred by the LEA. Authorizes counties or cities to transfer property purchased at a tax sale to a public charter school after a two-year period, in lieu of selling the property to private buyers.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Current leases, lease-purchase agreements, or other contracts between an LEA and a public charter school for the use of LEA property or facilities will remain in effect. No decrease in local government expenditures due to renegotiation of fees contained in these contracts.
- New leases, lease-purchase agreements, or other contracts for the use of vacant property may impose a lower fee than what the LEA is currently receiving from the public charter school, if the current fees are higher than the cost of ongoing property maintenance.
- LEAs will not be required to transfer property purchased at a future tax sale to a public charter school. Any decrease in local revenue as a result of conveying property to a public charter school instead of selling the property to a private buyer is unknown but will be permissive.
- Any increase in local government expenditures to include on the annual list any property falling within the expanded definition will be not significant.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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